

VZCZCXRO6008
PP RUEHBI RUEHCI
DE RUEHCI #0556/01 3490840
ZNR UUUUU ZZH
P 150840Z DEC 06
FM AMCONSUL CALCUTTA
TO RUEHC/SECSTATE WASHDC PRIORITY 1306
INFO RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1183
RUEHBI/AMCONSUL MUMBAI PRIORITY 0475
RUEHCG/AMCONSUL CHENNAI PRIORITY 0473
RUEHKT/AMEMBASSY KATHMANDU 0301
RUEHKA/AMEMBASSY DHAKA 0302
RUEHLM/AMEMBASSY COLOMBO 0122
RUEHIL/AMEMBASSY ISLAMABAD 0233
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RHHMUNA/HQ USPACOM HONOLULU HI
RUEIDN/DNI WASHINGTON DC
RUEHCI/AMCONSUL CALCUTTA 1611

UNCLAS SECTION 01 OF 03 CALCUTTA 000556

SIPDIS

SENSITIVE
SIPDIS

DEPT FOR SCA/INS

E.O. 12958: N/A

TAGS: [PTER](#) [ECON](#) [PREL](#) [SOCI](#) [IN](#)

SUBJECT: GOVERNANCE, DEVELOPMENT, AND NAXALISM IN BIHAR

REF: CALCUTTA 00442

11. (SBU) SUMMARY: After one year in office, expectations remain high for Bihar's Janata Dal United (JDU)-led government. During a December 4-6 visit to Bihar, state officials, journalists, and NGOs told Poloff, however, that the new state government has to start from scratch after fifteen years of misrule by the Rashtriya Janata Dal (RJD) party, and it would take several more years for Bihar to realize tangible results. The new government has improved basic law and order in Patna and made some progress on targeted areas of economic development and public health. Maoists (Naxalites) continue to affect several districts, although the tempo and brutality of their operations have decreased. The convergence of the downward trend in Naxalite violence and the upward trend in governance is encouraging, and the challenge for the new government is whether it can produce results fast enough. Biharis expect Chief Minister Nitish Kumar to deliver major improvements in his first term, but he needs to establish basic government before he can make progress on development. END SUMMARY.

HIGH EXPECTATIONS, LIMITED RESULTS

12. (U) Bihar, notorious for its endemic corruption and lawlessness, has experienced a slight improvement in law and order. Petty crime and kidnappings, previously widespread, have decreased. The government's police officer rotation program has produced positive results, as good officers have been assigned to more problematic districts. The "fear psychosis" in the capital, Patna, has eroded, although the degree to which this is the case outside the city, where the government has less control, is unclear.

13. (SBU) The government is focusing its economic development efforts on the sugar and maize industries and land reform, but it has made little progress on roads, power, and other infrastructure. Bihar is one of India's largest sugarcane producers, and the government wants to improve the state's sugar processing capacity as most of the raw sugar presently is sent to neighboring states for value-added processing and packaging. The government is pursuing greater domestic investment, and the value of investment proposals has increased significantly since the new government assumed power. A senior state official said that Bihar has approved 60 domestic investment proposals, primarily in sugar, valued at 250 million rupees, and it is

hosting an investment conclave in January 2007. (Note: 1 dollar is approximately 45 rupees. End note.) However, the basic infrastructure to support such investments is still lacking. For example, road construction is progressing slowly, and the state still buys most of its power from the central government. One journalist, summarizing the economic situation, said, "We are still struggling with society, and you need society before economics." He explained that the Chief Minister himself had said it would take three years before any real improvement was visible.

14. (U) A major driver of Bihar's economic condition is the dependency on land. The quantity of land is insufficient to support the state's large population of 81 million, even if the government could pass land reforms. Accordingly, seasonal labor migration to other states is very high. Migrant laborers bring some income and skills back to the state; the main problem is the exodus of Bihari students to other parts of India for higher education and employment. There are few job opportunities for these graduates, and most do not return to Bihar or send remittances.

15. (SBU) Opposition RJD State President AB Siddiqui told Poloff that the JDU-led government supports development for the wealthiest 10 percent in Bihar, while RJD believes in development for the other 90 percent. He explained that the RJD, during its 15-year rule, had to focus on providing the most basic services to the rural poor rather than attracting investment that would benefit only a small segment of the population. Siddiqui said that his party would be a responsible opposition party but would highlight the government's failure to implement the sizeable chunk of development funding that the state receives from the central government. He opined that the new government should have called an all-party meeting to form a consensus on development, but the Chief Minister wants

CALCUTTA 00000556 002 OF 003

"development all for himself."

16. (U) The government has made public health a priority. According to UNICEF State Representative Dr. Bijaya Rajbhandari, the government has actively supported programs to reduce and eradicate polio, child malnutrition, and HIV/AIDS. The risk of HIV/AIDS in Bihar is very high because of the large migrant labor population, low literacy rate, and limited virus detection capability. According to data from the Bihar State Aids Control Society (BSACS), there are 10,000 HIV/AIDS cases in the state, with 3,500 new cases in the past two years. On average, approximately 2,000 new cases are identified each year, although detection programs are limited and the actual figure probably is much higher. Sentinel programs are present in natal care facilities, but only 14 to 17 percent of births occur in these facilities. The HIV/AIDS growth rate is most alarming in North Bihar due to its large population of migrant laborers.

JOURNALISTS PROVIDE UNIQUE WINDOW INTO THE NAXALITES

17. (SBU) Journalists and academics, among the few people that have direct access to Naxalite camps and cadre, report that there are 4,000 to 5,000 "hardcore fighters" spread across Bihar and Jharkhand, but the tempo and brutality of Naxalite operations in Bihar has decreased in recent years. Offensive operations have moved south to Jharkhand and Chhattisgarh because the hilly terrain there is more favorable for insurgent activity. 14 of Bihar's 38 districts are affected by Naxalites, and Naxalites continue to raise money and periodically attack government symbols such as railroad tracks and police stations to remind people of their presence. However, they have stopped targeting civilians, and consequently the number of massacres has decreased. The Naxalites typically obtain their arms through raids on police armories and from Naxalites in other states, but they encourage the use of rudimentary weapons, such as sticks, because it demonstrates that even the "common man" is capable of resisting. While our contacts claimed that the

Naxalites are receiving some sanctuary and arms from the Nepalese Maoists, they explained that the Naxalites do not support the Nepalese Maoists' decision to enter the government, and the Naxalites in Bihar issued a statement saying that the Nepalese Maoists had made a mistake.

¶18. (SBU) Although they are not formal participants in the political process, the Naxalites wield some influence in state politics because they control the votes of villagers in their areas of control. As such, the state government has traditionally avoided antagonizing the Naxalites, a policy that has been continued by the JDU-led government. We received mixed responses about whether the state or central government could resolve the situation militarily if it had the political will. Some believed that a military presence alone has an impact, but most said a military approach has not and will not work as the root of the problem is economic.

¶19. (SBU) Providing a more general overview of Naxalite ideology and organization, our contacts explained that the Naxalites in Bihar do not seek to join the government but rather thrive in the government's absence. "Their objectives are vague and the achievement of their objectives is even vaguer. The situation on the ground is simply conducive to their growth." Ideological indoctrination is minimal, and most armed cadre join because of personal grievances. These recruits typically have been oppressed, raped, or humiliated by the moneyed or landed classes, and the Naxalites provide them with a means of retribution in the form of a weapon, uniform, and monthly salary of 1,500 rupees. The non-armed cadre tend to join for more ideological reasons and count among them many well-educated and mainstream citizens.

¶10. (SBU) Naxalites are caste-specific and area-specific so the movement varies from state to state. The Naxalites are not tightly unified across India, although there is a central command and loose organizational structure. The central committee is composed of 45 members from different regions, and authority passes from this committee to zonal commanders, area commanders, and village commanders. Bihar, for example, has

CALCUTTA 00000556 003 OF 003

three zonal commanders. Most central committee orders are ideological, while operational decisions are taken locally. The movement's leaders tend to come from the more mainstream, ideology-driven cadre.

¶11. (SBU) COMMENT: The Chief Minister's desire to improve governance and pursue development is a positive change, and coupled with a downward trend in Naxalite violence, the situation is encouraging. The challenge will be whether the government can deliver results quickly to meet voters' expectations and retain support. The government is doing some of the right things, but the process of correcting Bihar's course will take time. In the meantime, the state will continue to lag behind the rest of the country on most indicators. While the decrease in Naxalite attacks bodes well for law and order and development, the movement continues to build support in rural areas, and the state government's strategy of avoidance may backfire if and when the Naxalites choose to become more violent.

JARDINE